



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

OCT 13 1995

Charles E. French, Treasurer
Kellogg Better Government
Committee
One Kellogg Square
P.O. Box 3599
Battle Creek, MI 49016

Identification Number: C00039552

Reference: Mid-Year Report (1/1/95-6/30/95)

Dear Mr. French:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 11(a)(i) of your report discloses contributions received through what appears to be a payroll deduction plan. In the future, you should disclose not only the total deducted each pay period, but also the total for all deductions made during the reporting period in the receipts column on Schedule A. 11 CFR §104.8(b) Please refer to the enclosed sample of properly reported payroll deductions.

-For future reporting, please be advised that only contributions to federal candidates and political committees should be itemized on a separate Schedule B supporting Line 23 of the Detailed Summary Page. Contributions to non-federal candidates and committees should be itemized on Schedule B supporting Line 29.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

Amy Suzanne Reynolds
Reports Analyst
Reports Analysis Division

PAYROLL DEDUCTIONS

SCHEDULE A

ITEMIZED RECEIPTS

Contributions from Individuals

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes other than using the name and address of any political committee to solicit contributions from such persons.

NAME OF COMMITTEE (in Full)

National Organization PAC

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A. Payroll Deductions and Other Contributions		Name of Employer National Organization, Inc.	Date (month/ year) Payroll deduction	Amount of Each Receipt for Period \$72.00	PAGE OF FORM LINE NUMBER 11(a)(1)
Recipient	Designation				
Anne Sullivan	Branch Manager		8/18/92	\$12.00 (biweekly)	
311 18th Street	Aggregate Total to Date				
City, State ZIP					
Rodney Jones	Vice President		8/18/92	\$120.00 (biweekly)	
881 Hainsbury Road	Aggregate Total to Date				
City, State ZIP					

Itemize payroll deductions only after they have exceeded \$200 per calendar year from an individual.

IN-KIND CONTRIBUTIONS

SCHEDULE A

ITEMIZED RECEIPTS

Contributions from Individuals

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NAME OF COMMITTEE (in Full)

National Organization PAC

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A. In-Kind Contributions		Name of Employer National Organization, Inc.	Date (month/ year) Payoff	Amount of Each Receipt for Period \$2,000.00 (OR-2000D) (RAFFLE PRIZE)	PAGE OF FORM LINE NUMBER 13(a)(1)
Recipient	Designation				
Martin L. Krebs	Chairman		8/18/92		
4 River Road	Aggregate Total to Date				
City, State ZIP					
Martin L. Krebs	Vaffle Prize		8/18/92	\$5,000.00 (IN-KIND CONTRIBUTION)	
4 River Road	Aggregate Total to Date				
City, State ZIP					

SCHEDULE B

ITEMIZED DEBENTURES

Operating Expenditures/Other Federal

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NAME OF COMMITTEE (in Full)

National Organization PAC

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B. In-Kind Contributions		Purpose of Disbursement Vaffle Prize	Date (month/ year) Disbursement	Amount of Each Disbursement Paid \$5,000.00 (IN-KIND CONTRIBUTION)	PAGE OF FORM LINE NUMBER 21(b)
Recipient	Designation				
Martin L. Krebs	Chairman		8/18/92		
4 River Road	Aggregate Total to Date				
City, State ZIP					

Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash-on-hand amount.

Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, write "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

EXAMPLE: During an election year, a corporate manager authorizes her employer to deduct \$12 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's contributions as "unitemized contributions" in its April and July quarterly reports. By June 30, the closing date for the July report, the manager's aggregate contributions are \$195 — still below the \$200 itemization threshold. By September 30 — the closing date for the October quarterly report — the manager's contributions reach \$228. Therefore, the committee itemizes the total contributions received from the manager during the third quarter (\$120), providing the year-to-date total in the appropriate space. (See item A in the illustration above.)

In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed above under "When to Itemize Receipts." See Chapter 2 for information on how to determine the dollar value of an in-kind contribution.

In addition, add the value of the in-kind contribution to the operating expenditures total on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration at right.

Appreciated Goods

When a committee receives an in-kind contribution whose value may

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